GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

STARRED QUESTION NO:294
ANSWERED ON:11.08.2000
WORK ORDERS OF PUBLIC SECTOR ENTERPRISES
BRAJ MOHAN RAM;RAGHUNATH JHA

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether most of the engineering units and Public Sector Enterprises inthe core sector are suffering losses for want of work orders from the Railways, Department of Telecommunications, etc;

(b) if so, the details of Public Sector Enterprises whose capacity remainedunderutilised for want of orders during the last three years, Public Sector Enterprise-wise;

(c) whether work orders are being given to the private companies in India and abroad by the Government;

(d) if so, the reasons therefor; and

(e) the steps taken by the Government to ensure placement of work orders to at least 30 percent of their requirement on these Public Sector Enterprises for their survival?

Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI MANOHAR JOSHI)

(a) to (e): A Statement is laid on the Table of the House.

Statement referred to in reply to Parts(a) to (e) of the Lok Sabha Starred Question No.294 for Answer on 11.8.2000 by S/Shri Raghunath Jha and Braj Mohan Ram regarding Work Orders of Public Sector Enterprises.

(a) & (b) Losses are attributable to various reasons including shortage of working capital, surplus manpower, obsolete Plant & Machinery, increase in cost of inputs besides shortage of orders. There are 7 major PSUs namelyBraithwaite & Co.(Braithwaite), Jessop & Company (Jessop), Bharat Wagon Engg. Co. Ltd.(BWEL), Burn Standard Co. Ltd. (BSCL), Heavy Engineerir Corporation Ltd. (HEC), Bharat Heavy Electricals Ltd. (BHEL) and Richardson & Cruddas Ltd. (R&C) under the Deptt. of Heav Industry supplying equipments like Wagons, Locos, Coaches and Machine Tools to Railways and three major PSUs namely,BHEL, Hindustan Cables Ltd. (HCL) & Instrumentation Ltd. (ILK)supplying equipments for Telecommunications. Details of installed capacity and the orders received in the last 3 years are as under:

PSUs/Product	Installed capacity 1997-98	Orders received 1998-99	1999-2000
RAILWAYS			
Braithwaite, Jessop	14961	3167.5	8242.5 5585 FWUs
BWEL,BSCL (Wagons)	FWUs	FWUs	FWUs
Jessops (Coaches)	72 Nos.	56 Nos.	NIL NIL
HEC (Machine Tools)	Rs.25 cr.	Rs.9.82	Rs.2.80 cr. Rs.16.86 cr.
BHEL (AC/DC Locos)	30 Nos.	NIL	12 Nos. NIL
R&C (Points and Crossings)	Rs.15 crs.	Rs.5.5 cr.	NIL NIL
TELECOMMUNICATIONS			
HCL (Jelly Filled Cables)	82 LCKM@	32.96LCKM@	10 LCKM@ 87.12 LCKM@
HCL (Optic Fibre Cables)	35500 FKM	NIL	NIL 46362 FKM
ILK(Switching Equipment)	Rs.200 cr.	Rs.43.17	Rs.28.40 Rs.54.54
BHEL (Switching Equipment)	2,00,000 lines	48,200 lines	1,05,480 lines 2,53,048 lines

FWUs = Four Wheeler Wagon Units
@ LCKM = Lakh Cable Kilo Metres

FKM = Fibre Kilo meters.

(c) & (d) Yes, Sir. Orders are being placed on considerations of specifications deliveries & prices.

(e) In one specific case of HCL, Govt. have approved reservation of ordersfrom DOT/MTNL to the extent of 30% of their requirements in 1999-2000 and 25% in 2000-2001. With regard to Wagons, Railways have placed orders for2000-2001 for 8917.5 FWUs on Wagon Building PSUs which is about 44% of the total requirement. Orders are being placed on the basis of lowest bid.